At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on January 12, 2016, the following members were present:

Brad Johnson, Chairman Travis Kavulla, Vice Chairman Kirk Bushman, Commissioner Roger Koopman, Commissioner Bob Lake, Commissioner

APPEARANCE Aleisha Solem, Commission Secretary

(6) In the matter of the approval of Commission Minutes for the week of January 4, 2016.

Commissioner Lake moved to APPROVE the Commission Minutes for the week of January 4, 2016. Commissioner Kavulla seconded the motion, which passed unanimously.

APPEARANCE Brenda Koch, Transportation Unit

(7) In the matter of T-15.53.ST: Chinook Disposal Service Inc.'s application to transfer PSC No. 1341 to Milk River Disposal, LLC.

Commissioner Kavulla moved to APPROVE the transfer of PSC No. 1341. Commissioner Koopman seconded the motion, which passed unanimously.

APPEARANCE Brenda Koch, Transportation Unit

(8) In the matter of TN2644: Bayside Disposal, Inc. dba Disposal Service of Montana's request to continue the lease of PSC No. 9412 to the City of Cut Bank.

Commissioner Kavulla moved to APPROVE the continued lease of PSC No. 9412. Commissioner Lake seconded the motion, which passed unanimously.

APPEARANCE Scott Fabel, Regulatory Division

(9) In the matter of D2015.12.97: NorthWestern Corporation's application to issue securities.

Commissioner Lake moved to APPROVE the application to issue various securities over a twoyear period through January 31, 2018, in an aggregate amount not to exceed \$1.05 billion. Commissioner Koopman seconded the motion, which passed unanimously.

APPEARANCE Margo Schurman, Regulatory Division Jeremiah Langston, Legal Division

(10) In the matter of EPA 111(d) Federal Plan.

Discussion only, no action taken.

APPEARANCE

Jason Brown, Legal Division Scott Fabel, Dagan Lynch, and Neil Templeton, Regulatory Division

(11) In the matter of D2015.10.81: NorthWestern Energy's application for automatic rate adjustment for taxes and fees and the investigation of the Public Service Commission into taxes and fees.

Main Motion: Commission Kavulla moved to FIND the tax tracker in error, because it does not include the Hydro tax expense, and that the Commission adopt option number 2 from the staff memo; FIND the tax tracker in error because CWIP is treated inconsistently and to remove the CWIP tax expense from rates pending further proceedings; and REQUIRE NorthWestern to make a filing with a specific proposal for disclosing the specific dollar amount of a customer's bill that consists of state and local taxes. Commissioner Koopman seconded the motion.

Substitute Motion: Commissioner Lake moved to ADOPT option number 1 from the staff memo which would finalize the interim rates by issuing an Order keeping the Hydro taxes out of the tracker and dealing with them in a compliance filing; DIRECT the staff to include language in the Order opining on the inconsistent treatment of CWIP which will be discussed in the contested case docket; DIRECT staff to open a contested case docket and require Northwestern to file a proposal with proposed volumetric rates and for disclosing the specific dollar amount of a customer's bill that consists of state and local taxes. Commissioner Koopman seconded the motion, which passed 4 to 1. Commissioner Bushman dissenting.

There being no further business to come before the Commission the meeting was adjourned.

BRAD JOHNSON, Chairman

TRAVIS KAWIJI.A, Vice Chairman

KIRK BUSHMAN, Commissioner

ROGER KOOPMAN, Commissioner

BOB LAKE, Commissioner

ATTEST:

Aleisha Solem Commission Secretary

(SEAL)